

VZCZCXYZ0015
RR RUEHWEB

DE RUEHGT #1087 1531508
ZNR UUUUU ZZH
R 021508Z JUN 06
FM AMEMBASSY GUATEMALA
TO RUEHC/SECSTATE WASHDC 9840
INFO RUCPDOG/USDOC WASHDC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS GUATEMALA 001087

SIPDIS

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [EINV](#) [KIDE](#) [PGOV](#) [ECON](#) [CASC](#) [OPIC](#) [GT](#)

SUBJECT: 2006 REPORT ON INVESTMENT DISPUTES - GUATEMALA

REF: A) 05 GUATEMALA 1528, B) STATE 60294

IN RESPONSE TO REF B THIS MESSAGE UPDATES INFORMATION OUTLINED
IN LAST YEAR'S REPORT (REF A)

¶1. CLAIMANT A - MARGARET ARGUDO: EMBASSY HAS NOT BEEN
CONTACTED BY CLAIMANT A ON THE STATUS OF EVICTING ILLEGAL
SETTLERS FROM HER FARM. AS PER REF A, SHE HAD ALSO NOT
RETURNED TELEPHONE CALLS OR E-MAILS IN 2005. THIS CASE
APPEARS TO BE RESOLVED OR INACTIVE.

¶2. CLAIMANT B - FERROVIAS GUATEMALA: CLAIMANT B'S DISPUTES
WITH THE RAILROAD REGULATOR CONTINUE, WITH NO SHORT TERM
RESOLUTION IN SIGHT. SQUATTERS ALSO CONTINUE TO INFRINGE ON
THE RAILROAD'S RIGHT OF WAY. THE EMBASSY CONTINUES ITS
ADVOCACY WITH GOG AUTHORITIES ON BEHALF OF CLAIMANT.

¶3. CLAIMANT C - CARLOS ARDEBOL AND ROGER PEREZ ARDEBOL:
EMBASSY HAS NOT BEEN ASKED FOR ASSISTANCE BY CLAIMANTS IN 2005-
2006 AND, AS PER REF A, HAD NOT BEEN CONTACTED FOR MOST OF
2004-2005. THIS CASE APPEARS TO BE RESOLVED OR INACTIVE.

¶4. THERE ARE NO OTHER INVESTMENT DISPUTES THAT MEET THE
CRITERIA OF REF B. HOWEVER, FOUR MAJORITY US OWNED
ELECTRICITY PRODUCERS HAVE HAD VARIOUS DISPUTES WITH THE
REGULATOR. THE REGULATOR AT ONE POINT THREATENED TO
RENEGOTIATE THEIR CONTRACTS; HOWEVER, A VOLUNTARY SOLUTION ON
CUTTING PRICES WAS FOUND. ONE OF THESE FIRMS, DUKE ENERGY, IS
ALSO IN DISCUSSIONS WITH THE GOVERNMENT ABOUT ITS CONTRACT,
WHICH IT CANNOT FULFILL SINCE IT LOST ITS SOURCE OF CHEAP FUEL
(ORIMULSION FROM VENEZUELA). EMBASSY WILL CONTINUE TO TRACK
THE CASES OF THESE COMPANIES AND ADVOCATE ON THEIR BEHALF WHEN
APPROPRIATE.

¶5. RECOMMENDATION: ONLY CLAIMANT B SHOULD BE LISTED IN THE
SECTION 527 REPORT, SHOULD THIS CASE MEET DEPARTMENT'S
CRITERIA.

WHARTON